



Corporate Social Responsibility (CSR) and the tobacco industry in times of COVID-19

Authors:

Silvana Rubano Barretto Turci

Vera Luiza da Costa e Silva

Luiz William Halsseman

Alex Kornalewski

Danielle Roach

August 2021

What is Corporate Social Responsibility (CSR)?

The term “corporate social responsibility” was defined by Bower as the adoption of attitudes, postures, decisions, and values that some companies employ to value their image before society. However, it is unclear how these values are defined, and which lines of action ensure that ethical concepts are not compromised.¹

CSR and the Tobacco Industry: an international movement

It is not uncommon to find companies that adopt voluntary standards to eliminate or reduce the regulation of government agencies and thereby circumvent control measures. The tobacco industry has taken this path to advance its agenda. In addition, it has used strategies to create a respectable image as a company interested in the common good worldwide. Communication and marketing specialists are hired to reshape the companies’ image without necessarily taking objective changes in their internal policy.²

In the late 1990s, tobacco companies suffered a notorious defeat in U.S. courts, sealed by an agreement known as the Tobacco Master Settlement Agreement.³ It exposed the financial

¹ Bower, H. R. (1957). *Responsabilidades sociais dos homens de negócio* Rio de Janeiro: Editora Civilização Brasileira S.

² WHO - Tobacco industry interference with tobacco control, 2008. Available at: http://whqlibdoc.who.int/publications/2008/9789241597340_eng.pdf?ua=1

³ The Master Settlement Agreement (MSA), 1998. Available at: <https://www.publichealthlawcenter.org/topics/commercial-tobacco-control/commercial-tobacco-control-litigation/master-settlement-agreement>

losses of billions of dollars to the country due to tobacco product sales and showed a perverse image of these transnational companies. To remedy this defeat, the tobacco industry began to develop corporate social responsibility actions to change their image eventually, contain the consumption reduction of their products and create positive impacts for companies.⁴

Documents stored at the University of San Francisco⁵ show that, in the late 1990s, British American Tobacco (BAT) started a series of engagement meetings with its partners to orchestrate campaigns to reposition their image as responsible companies. It even launched a website (BATresponsibility.eu), which received the contribution of a former European Union commissioner responsible for consumer protection and health issues from September 2006 to January 2007. BAT continued to hold regular dialogue sessions until 2010, and the website was discontinued in 2013. The last session theme was “CSR is about managing risks and opportunities.”⁶

In the same period, BAT joined the Institute of Business Ethics, a non-profit organization that encourages high standards of business behavior based on ethical values, to learn how to develop policies on governance and transparency.⁷

Front groups or supporters have been beneficial to the tobacco industry, as illustrated by the Alliance of Australian Retailers (AAR) case. This group launched a campaign against an Australian bill on plain tobacco packaging in 2010. The AAR claimed to represent small retail store owners (such as newsstands) and wanted to “get the small retailer voices heard opposing plain packaging until it was withdrawn.” However, documents⁸ show that this campaign was funded by tobacco companies that paid \$1,080,860 (Imperial Tobacco Australia), \$2,200,000 (BAT), and \$2,161,720 (Philip Morris) to AAR to counter the bill of law.

By burdening the environment, tobacco companies also get involved with entities that help improve their image with consumers. Greenwashing,⁹ which is nothing more than the misuse of

⁴ KPMG –global network of independent companies working together to reduce risks and take advantages of market opportunities. Available at <https://home.kpmg/br/pt/home.html>

⁵ Truth Tobacco Industry Documents. Available at <https://www.industrydocuments.ucsf.edu/tobacco/>

⁶ Truth Tobacco Industry Documents. Available at <http://legacy.library.ucsf.edu/tid/eyb04a99/pdf>

⁷ Richter, U.H., Arndt, F.F. Cognitive Processes in the CSR Decision-Making Process: A Sensemaking Perspective. *J Bus Ethics* 148, 587–602 (2018). <https://doi.org/10.1007/s10551-015-3011-8>

⁸ Leaks reveal Big Tobacco's \$5M blitz. Available at: <http://www.theage.com.au/national/leaks-reveal-big-tobaccos-5m-blitz-20100911-155fl.html>

⁹ Greenwashing. Available at <https://tobaccotactics.org/wiki/greenwashing/>

current, established, broad and generic concepts to draw audiences, is one of their primary tactics. This naturalization of certain practices¹⁰ goes against what FCTC Article 18 recommends.

These companies want to evoke the feeling that they have responsibility and zeal for their brand by supporting noble causes such as donations to hospitals, municipalities,¹¹ and entities. This can be seen, for example, in Philip Morris's internal document that reveals the company was committed to supporting projects in three areas: arts, higher education, and projects against hunger.¹² The document shows that, since 1968, Philip Morris has been among the most generous sponsors of the arts and has given more than \$100 million to hunger-fighting projects. On its website, it states that “more than 40 years ago, long before corporate social responsibility became fashionable, they gave money to causes that were dear to them.” According to the company, they have invested more than \$30 million annually to support charitable causes worldwide. In 2011, they supported 274 philanthropic projects in 58 countries. They have reached more than 3.5 million people in total.¹³

Similarly, BAT calls itself a “corporate citizen” and says its companies have long supported local charitable and community projects as an end in itself and not as a form of promotion. According to them, their companies have always related well to the communities where they operate.¹⁴

Analyses by the University of Bath¹⁵ show that companies in the sector employ a wide range of CSR tactics to ensure access to public authorities, influence public policymaking, disrupt opposing political coalitions, and rebuild the company's reputation, such as voluntary self-regulation.¹⁶

These strategies are universal and focus on significant themes. When we pinpoint particular pieces of the timeline, we can verify some CSR activities and other tobacco industry

¹⁰ Pagotto, Érico Luciano. Greenwashing: os conflitos ético da propaganda ambiental. Dissertação de Mestrado – Programa de Pós-graduação em Mudança Social e Participação Política, Escola de Artes, Ciências e Humanidades da Universidade de São Paulo, 2013

¹¹ Uberlândia City Hall receives donation from tobacco companies to treat Covid-19 patients
<http://tabaco.ensp.fiocruz.br/pt-br/prefeitura-de-uberlandia-recebe-doacao-de-empresas-para-o-tratamento-da-covid-19>

¹² Article discusses how the tobacco industry uses front groups to represent its interests (1994). Available at: <http://www.prwatch.org/files/pdfs/prwatch/PRWatchQtrlyVol1No4.pdf>

¹³ PHILIP Morris companies inc.: corporate philanthropy. Legacy Tobacco Documents Library, Estados Unidos, 17 set. 2009. Disponível em <http://legacy.library.ucsf.edu/tid/qex76b00/pdf>

¹⁴ BAT Purposes and Strategies. Available at
http://www.batme.com/group/sites/BAT_86XECK.nsf/vwPagesWebLive/DO87MEC7?opendocument&SKN=1

¹⁵ Tobacco Tactics Website <https://tobaccotactics.org/>

¹⁶ Tobacco Tactics Website on CSR. Available at <https://tobaccotactics.org/search-results/?q=CSR#gsc.tab=0&gsc.q=CSR&gsc.page=1>

interference activities reported globally from March 12 to July 19, 2020, during the COVID-19 pandemic.¹⁷

Table 1: Tobacco company, countries and number of interference activities reported from March to July 2020

Tobacco company	Reported Countries	Number of incidences
British American Tobacco (BAT)	South Africa, USA, UK, Brazil, Kenya, Bangladesh, Croatia, Mexico, Nigeria, Honduras and Russia	61
Philip Morris International (PMI)	Brazil, Costa Rica, Greece, Turkey, Italy, Philippines, Bulgaria, Ukraine, Georgia, Russia	32
Japan Tobacco International (JTI)	UK, Bangladesh, Turkey, Malaysia, Philippines, Russia	26
Imperial Tobacco	Russia	14
Altria Group	USES	22
Korea Tobacco Ginseng Corporation (KT&G)	Indonesia, Turkey and Russia	6
Non-specific company via front groups	United Arab Emirates, Bangladesh, Myanmar, India, Zimbabwe, Malaysia, Australia, Lebanon, Senegal, Sri Lanka, France	33

Source: Globally Reported Tobacco Industry Interference during COVID-19 Pandemic, 2020

In May 1999, during the 52nd World Health Assembly, the United Nations Member States began negotiations on what would become a new chapter in the history of world public health: the WHO Framework Convention on Tobacco Control (FCTC).¹⁸ It recommends that countries take adequate measures to respond to the globalization of the smoking epidemic. The treaty recalls that governments make a big mistake in establishing links or partnerships with companies in the sector. There is an apparent conflict over the goals set by the treaty, such as article 5.3, which recommends that all efforts must be undertaken to protect tobacco control measures from commercial and other interests.

In addition, FCTC, in its guidelines, recommends that “Parties should ensure that all branches of government and the public are informed and made aware of the true purpose and scope of activities described as socially responsible performed by the tobacco industry” and that “Parties should not endorse, support, form partnerships with or participate in activities of the tobacco industry described as socially responsible” and “Parties should not allow public disclosure by the tobacco industry or any other person acting on its behalf of activities described as socially

¹⁷ Globally Reported Tobacco Industry Interference during COVID-19 Pandemic
https://tobaccounmaskedsouth.asia/Globally_Reported_Tobacco_Industry_Interference_during_COVID-19_Pandemic

¹⁸ Convenção Quadro para o Controle do Tabaco. Texto oficial. Available at:
<https://www.inca.gov.br/publicacoes/livros/convencao-quadro-para-o-controle-do-tabaco-texto-oficial>

responsible or of the expenditures made for these activities, except when legally required to report on such expenditures, such as in an annual report.”¹⁹

Therefore, Parties to the FCTC should adopt strategies to hinder the creation of a favorable environment for the tobacco industry expansion, remembering that the consumption of its products kills 8 million people worldwide.²⁰ Parties to the treaty have tried to implement these recommendations. To regulate CSR activities, the European Commission attempted to set minimum standards for companies to be considered socially responsible. But there was no consensus on these criteria, which allows any company to present itself as socially responsible and shows the tobacco companies’ effort to counter such initiatives.²¹

CSR and the tobacco industry in Brazil

Brazil has been successful in implementing laws and regulations to reduce tobacco product promotion. Some of them are: the Brazilian Health Regulatory Agency (ANVISA) [RDC 213/2018](#), which regulates the exposition, sales, and distribution of tobacco products; ANVISA [RDC 195/2017](#), which requires the use of health warnings on tobacco product packaging; the law that prohibits tobacco product advertising; and Law [12546/2011](#) and [Law 9294/1996](#) that restricts tobacco product use and advertising, prohibiting advertising by electronic means, including the Internet; indirect advertising, also called merchandising; and sport and cultural event sponsorship.

As foreseen, the tobacco sector reacts with CSR initiatives to raise awareness among authorities and the population. An example is the creation of the *Instituto Crescer Legal*, established by the Interstate Union of Tobacco Industries (Sinditabaco) with the participation of all companies operating in the country. In the same line of action, they support the Eliminating Child Labor in Tobacco Growing Foundation (ECLT) but do not even report how many children work in tobacco growing or what actions have been developed by the institute to reduce child labor in tobacco crops.^{22,23}

Through Philip Morris Brazil, PM International reports participation in initiatives to protect the environment, with the justification that civil society has become increasingly

¹⁹ Framework Convention for the Control of Tobacco_ Guidelines for implementation. Available at: <https://fctc.who.int/publications/m/item/who-framework-convention-on-tobacco-control-guidelines-for-implementation-article-5.3-article-8-article-9-and-10-article-11-article-12-article-13-article-14--2011-edition>

²⁰ WHO- Fact sheets, Key facts (2021) <https://www.who.int/news-room/fact-sheets/detail/tobacco>.

²¹ Commission of European Communities, Promoting a European framework for Corporate Social Responsibility (2001) . Available at https://drive.google.com/file/d/0B0HvJttm0WXDNVdLSVhUUDc0UE0/view?resourcekey=0WgC_b2PIFv226uf9V96fRQ

²² *Instituto Crescer Legal*. Available at <http://crescerlegal.com.br/boletins/>

²³ Japan Tobacco International supports Eliminating Child Labor in Tobacco Growing Foundation (ECLT). Available at <http://tabaco.ensp.fiocruz.br/pt-br/node/1121>

demanding about the sustainability of its products.²⁴ It also develops environmental protection projects to mask tobacco's harmful effects on the environment.^{25,26} Another emblematic example is the project “*Verde é Vida*” [“Green is Life”], created by the Tobacco Growers’ Association of Brazil (Afubra) to develop socio-environmental education projects in schools in more than 200 municipalities in Rio Grande do Sul, Santa Catarina, and Paraná.

The tobacco sector also partners with municipal government departments, such as the Municipal Department of Education of Duque de Caxias (RJ), through the NGO *Besouro Agência de Fomento Social*. This NGO develops a program called “*Decola Jovem*,” created by the *Instituto Souza Cruz* to encourage entrepreneurship among young people in social vulnerability as an alternative to work and income generation.²⁷

CSR in times of Covid-19 pandemic

The tobacco industry has taken advantage of the Covid-19 epidemic to carry out various CSR activities. Among them is the promotion of pseudoscience,²⁸ casting doubt on scientific data,²⁹ offering money and resources to states and municipalities, or directly to universities and research centers. Its objective is to promote its products with the slogan of “low toxicity” or “risk reduction” as an attempt to obstruct regulations.

The adoption of philanthropic measures is a powerful³⁰ and valuable tool to make up the image of companies and brands and to open doors to influence decision-makers.³¹ Despite advances in international control policies, the tobacco industry always finds ways to circumvent regulations, either through the polarization of society or through “false philanthropy.”

²⁴ PMI BRAZIL. Philip Morris Brazil expands investment for the sustainable development of tobacco growers, Feb. 2021. Available at: <<https://www.pmi.com/markets/brazil/pt/not%C3%ADcias/details/philip-morris-brasil-amplia-investimentos-para-o-desenvolvimento-sustent%C3%A1vel-dos-produtores-de-tabaco>>

²⁵ Projetos Quintais orgânicos Philip Morris. Available at <http://tabaco.ensp.fiocruz.br/pt-br/projeto-quintais-0>

²⁶ Imperial Tobacco is one of the co-founders of the campaign "Love where You Live." Available at <https://tobaccotactics.org/wiki/csr-imperial-and-love-where-you-live/>

²⁷ Magazine article on *Instituto Souza Cruz*'s entrepreneurship. Available at <https://voca.abril.com.br/empreendedorismo/instituto-souza-cruz-abre-100-vagas-em-curso-free-of-entrepreneurship>

²⁸ British American Tobacco (BAT) is developing a potential vaccine for Covid-19. Available at: <http://tabaco.ensp.fiocruz.br/pt-br/gigante-do-tabaco-desenvolve-vacina-contr-o-coronavirus>

²⁹ BIALOUS, Stella Aguinaga; STAN Shatenstein. Profits over people: tobacco industry activities to market cigarettes and undermine public health in Latin America and the Caribbean. Pan American Health Organization, United States, Dec16, 2002.

³⁰ False Friend: tobacco industry during Corona crises. Available at <https://unfairtobacco.org/en/false-friends-tobacco-industry-during-corona-crisis/#/>

³¹ Tobacco companies seek to help society and the environment during the pandemic. Available at: <http://www.gaz.com.br/conteudos/coronavirus/2020/07/02/167581-saiba-quanto-foi-arrecadado-em-doacoes-para-combate-a-covid-19.html.php>.

As previously demonstrated, during the Covid-19 epidemic, tobacco companies donated money, supplies,^{32,33} food packs for the Department of Education,³⁴ and equipment for Covid diagnosis^{35,36,37} for governments and hospitals^{38,39} in the country's tobacco growing and other regions.⁴⁰ A highlight for Afubra, which forged a curious partnership with the Brazilian Internal Revenue Office and the University of Santa Cruz do Sul (UNISC) for the transformation of 5,470 liters of smuggled beverages into 2,000 liters of hand sanitizer to be used in the Covid control.⁴¹ This unusual partnership compromises efforts that have been undertaken for more than two decades to reduce the tobacco industry interference in the public sector.

Conclusion

³² [The tobacco industry donates face masks to health professionals. Available at http://www.gaz.com.br/conteudos/geral/2020/04/06/164101estado_recebe_doacao_de_32_mil_mascaras_para_profissionais_da_saude.html.php](http://www.gaz.com.br/conteudos/geral/2020/04/06/164101estado_recebe_doacao_de_32_mil_mascaras_para_profissionais_da_saude.html.php)

³³ The tobacco industry donates hand sanitizer and supplies. Available at: <https://www.studio.fm.br/2020/04/doacao-de-r-250-mil-garante-alcool-gel-e-insumos-paraconfrontation-do-Coronavirus/>

³⁴ Philip Morris donates to the Secretary of Education in Santa Cruz do Sul. Available at http://www.gaz.com.br/conteudos/regional/2020/05/07/165346-secretaria_de_educacao_recebe_mais_10_toneladas_de_alimentos.html.php

³⁵ Tobacco companies donate Covid diagnostic equipment to the University of Sta Cruz do Sul. Available at https://www.jornaldocomercio.com/_conteudo/jornal_cidades/2020/04/733500-unisc-recebe-machine-for-expedite-tests-of-coronavirus.html

³⁶ Tobacco companies donate Covid diagnostic equipment to the University of Sta Cruz do Sul (UNISC) <https://agoranors.com/2020/04/novos-equipamentos-permitirao-universidade-ampliar-testes-de-covid-19/>

³⁷ Tobacco companies support Consortium cities in the tobacco growing region with Covid diagnostic tests. Available at http://www.gaz.com.br/conteudos/regional/2020/10/01/171317-Ultima_etapa_de_pesquisa_com_testes_rapidos_na_regiao_inicia_nesta_sexta_feira.html.php

³⁸ Philip Morris donates \$75,000 to hospital. Available at <https://folhadomate.com/noticias/saude/philip-morris-brasil-fez-o-repasse-de-r-75-mil-ao-hospital-sao-sebastiao-martir/>

³⁹ City Hall passes donation along to hospitals. Available at: http://www.gaz.com.br/conteudos/coronavirus/2020/03/25/163575-prefeitura_repassa_mais_de_rs_2_milhoes_a_hospitais_de_santa_cruz.html.php

40

Cigarette company offers help to Amazonas state to face coronavirus. Available at: <https://bncamazonas.com.br/municipios/empresa-cigarros-ajuda-coronavirus/>

⁴¹ Afubra and partnership with the IRS donate hand sanitizer to Sta Cruz do Sul. Available at: <https://www.unisc.br/pt/noticias/unisc-afubra-e-receita-federal-repassam-mais-de-2-mil-litros-de-alcool-70-ao-municipio-de-santa-cruz-do-sul>

Being fully aware that their products cause illness and death to their consumers, tobacco companies adopt CSR to improve their image with governments and the population. They aim to get social respectability, positively reinforcing their image. These tactics are formulated according to the current political and social scenario, such as the current pandemic that devastates the world.

When many countries have been overwhelmed by Covid-19, these companies have not measured efforts to be at the center of where political decisions are made. They want to be protagonists in the development of a vaccine, create empathy with communities, in short, develop actions highly favorable to them. Thus, they put their products' lethal image away from themselves and reinforce the argument that they can contribute to society as they are legally established companies. However, these companies' philanthropic behavior is only for their benefit. They only intend to distract consumers from the harm they cause by producing and distributing their products. Therefore, it is increasingly urgent that leaders, tobacco control advocates, researchers, health professionals, and students understand the destructive nature of this type of company and redouble efforts to contain their expansion.

We must continue to blame the tobacco industry for the large number of deaths its products cause each year and fight to control the manufacturing, marketing, and sales of its addictive products. It is also important to warn that its consumers may die and its products continue to harm society and the planet. The industry should be held responsible for its direct actions and CSR activities, which focus on protecting it from issues the industry is responsible for, such as environmental degradation. The industry should also be responsible for activities as partnerships in areas where its products work against, such as COVID-19, a disease with a worse prognosis among smokers. Then, it will be possible to mitigate the continuous damage that the industry and its CSR strategy have been causing, once this is undoubtedly among the most destructive acts of duplicity in the sector. As a result, environmental advocates should put the tobacco industry at the top of their list of most damaging sectors. If everyone unites to reveal the actual environmental damage that the industry perpetuates and pressure legislators for changes, better regulations can be implemented. Similarly, government sectors, especially the health sector, should not accept the tobacco industry's support in facing the COVID-19 pandemic. The apparent "contribution" from the industry, even when small, enhances the image of those whose product works against the pandemic.